

RESOLUTION NO. .

BOARD OF SUPERVISORS, COUNTY OF SAN MATEO, STATE OF CALIFORNIA
ACTING AS THE COUNTY OF SAN MATEO AND THE GOVERNING BOARD OF THE
CRYSTAL SPRINGS COUNTY SANITATION DISTRICT

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RESOLUTION AUTHORIZING: A) THE COUNTY EXECUTIVE OFFICER, OR DESIGNEE, TO EXECUTE AN INTERIM AGREEMENT FOR PAYMENT OF CAPITAL COSTS OF CLEAN WATER PROGRAM PROJECTS (INTERIM AGREEMENT) AMONG THE CITY OF SAN MATEO, CRYSTAL SPRINGS COUNTY SANITATION DISTRICT, AND THE COUNTY OF SAN MATEO FOR THE COSTS INCURRED BY CITY OF SAN MATEO FOR THE DESIGN AND CONSTRUCTION OF DOWNSTREAM IMPROVEMENT PROJECTS; AND B) THE COUNTY EXECUTIVE OFFICER, OR DESIGNEE, TO EXECUTE AMENDMENTS TO THE INTERIM AGREEMENT AMONG THE CITY OF SAN MATEO, CRYSTAL SPRINGS COUNTY SANITATION DISTRICT, AND THE COUNTY OF SAN MATEO WITH ANY NON-SUBSTANTIVE ADDITIONS, CLARIFICATIONS AND OTHER CHANGES AS THE COUNTY EXECUTIVE OFFICER, OR DESIGNEE, DEEMS NECESSARY OR ADVISABLE AFTER CONSULTATION WITH THE COUNTY ATTORNEY

RESOLVED, by the Board of Supervisors of the County of San Mateo, State of California, acting as the County of San Mateo and the Governing Board of the Crystal Springs County Sanitation District, that

WHEREAS, the Town of Hillsborough (Hillsborough), City of San Mateo (San Mateo), Crystal Springs County Sanitation District (District), and the County of San Mateo (County) entered into a sanitary sewage agreement dated July 18, 1989 (1989 Agreement), which sets forth the parties' respective rights and obligations with respect to the use of sewage conveyance and treatment facilities jointly used by Hillsborough, San Mateo, District, and County; and

WHEREAS, the 1989 Agreement specifies that expenses related to repairs and upgrades to jointly used facilities will be proportionally shared based on each party's contribution of flow to the jointly used sewage conveyance and treatment facilities; and

WHEREAS, the 1989 Agreement also specifies that San Mateo owns the jointly used facilities located within its jurisdiction, including the Wastewater Treatment Plant (WWTP) and the Dale Avenue Pump Station, and is responsible for making any necessary repairs, reconstruction, replacement, enlargement, or improvements to these facilities, subject to each party's obligation to make the proportional payments described above; and

WHEREAS, the WWTP is currently operated by San Mateo under a National Pollutant Discharge Elimination System (NPDES) permit issued by the San Francisco Bay Regional Water Quality Control Board (Water Board); and

WHEREAS, the Water Board issued Cease and Desist Order R2-2009-0020 (CDO) on March 13, 2009 to Hillsborough, San Mateo and the District requiring that the parties undertake certain actions, studies, and projects to improve performance and capacity of sewer facilities, including the WWTP, which is subject to the 1989 Agreement; and

WHEREAS, San Mateo developed a comprehensive suite of capital improvement projects known as the Clean Water Program (CWP) to eliminate sanitary sewer overflows and increase the capacity of both its sewer collection system and the WWTP in accordance with the CDO and the NPDES permit; and

WHEREAS, the CWP includes the construction of an Underground Flow Equalization System (UFES) project consisting of an underground, concrete holding structure capable of temporarily storing up to 5,300,000 gallons of wastewater to reduce or eventually eliminate discharge of untreated or partially treated sewage by the WWTP into the San Francisco Bay; and

WHEREAS, San Mateo has secured financing for CWP costs through a line of credit, a series of sewer revenue bonds issued in 2019, and loans through programs administered under the Federal Water Infrastructure Finance and Innovation Act and/or the Clean Water State Revolving Fund program; and

WHEREAS, while Hillsborough/District/County do not benefit from some components of the CWP and are not required to participate in the cost of such components, the three parties are responsible for their proportional share of the costs for the components associated with the jointly used facilities; and

WHEREAS, San Mateo has estimated the costs to construct the CWP projects to be approximately \$1,000,000,000. Based on this estimate, the estimated financial commitment by the County and District are \$2,466,401 and \$32,527,428, respectively; and

WHEREAS, the parties have been in negotiations for an amendment to the 1989 Agreement or a new agreement to provide for the allocation and payment of costs by Hillsborough/District/County for costs incurred by San Mateo for the design and construction of certain CWP projects since the inception of the CWP in October 2014, and continuing through the completion of construction of such projects and including any period of indebtedness for such projects; and

WHEREAS, in 2022 Hillsborough and San Mateo entered into an interim agreement for payment of capital costs by Hillsborough while San Mateo, County and District continued to discuss terms unrelated to Hillsborough; and

WHEREAS, County, District and San Mateo desire to enter into a separate interim agreement to recognize County and District participation in a financial arrangement with San Mateo; and

WHEREAS, the Director of Public Works and Department staff have reviewed the Interim Agreement and have concluded that the proportional expenses reflected in the Interim Agreement should be used as the basis for allocating the costs for the CWP projects; and

WHEREAS, this Board has reviewed and considered said Interim Agreement and the recommendation of the Director of Public Works and concurs with the Director's recommendation.

NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED as follows:

1. The Board of Supervisors authorizes and directs the County Executive Officer, or designee, to execute said Interim Agreement for and on behalf of both the County and the District and signature of the Clerk of this Board shall attest thereto.
2. The Board of Supervisors authorizes and directs the County Executive Officer, or designee, to execute non-substantive additions, clarifications and other changes as the County Executive Officer, or designee, deems necessary or advisable after consultation with the County Attorney.

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